

**RESOLUTION OF THE ENERGY EFFICIENCY ADVISORY COUNCIL REGARDING
PROPOSED MID-TERM MODIFICATIONS OF NATIONAL GRID, EVERSOURCE,
UNITIL, LIBERTY, AND THE BERKSHIRE GAS COMPANY**

Adopted May 26, 2021

Pursuant to § 3.8.1 of the Department of Public Utilities' (the "Department") Energy Efficiency Guidelines set forth in D.P.U. 11-120-A, Phase II (January 31, 2013) ("Guidelines"), which are applicable to the 2019-2021 Three-Year Plan,¹ an energy efficiency Program Administrator that seeks to make the following significant modifications to its Energy Efficiency Plan shall submit its proposed modifications to the Energy Efficiency Advisory Council ("EEAC") for review:

- 1) the addition of a Hard-to-Measure Energy Efficiency Program;
- 2) the termination of an existing Energy Efficiency Program or Hard-to-Measure Energy Efficiency Program;
- 3) a change in the three-year term budget of an Energy Efficiency Program or Hard-to-Measure Energy Efficiency Program of greater than (1) 20 percent, or (2) a dollar value to be specified by the Department; or
- 4) a modification to the design of an Energy Efficiency Program that is projected to result in a decrease in program benefits over the three-year term that is greater than 20 percent.

(as described above, a "Category One MTM").

Additionally, pursuant to § 3.8.2 of the Guidelines, a Program Administrator that seeks to make the following significant modifications to its Energy Efficiency Plan shall submit its proposed modifications first for review by the Council, and then for review and approval by the Department:

- 1) the addition of a new Energy Efficiency Program;
- 2) the transition of a Hard-to-Measure Energy Efficiency Program to an Energy Efficiency Program; or
- 3) a change in the three-year term budget of a customer sector that would require a cents per kilowatt-hour (calculated using the method described in § 3.2.1.6) or cents per therm charge for the sector that, if it were to replace the Department-approved Energy Efficiency Surcharge for the applicable year, would result in a bill increase for an average customer in the sector exceeding two percent.

(as described above, a "Category Two MTM").

In accordance with the Guidelines, Massachusetts Electric Company, Nantucket Electric Company, Boston Gas Company and former Colonial Gas Company, each d/b/a National Grid ("National Grid"), NSTAR Electric Company, NSTAR Gas Company and Eversource Gas Company of Massachusetts, each d/b/a Eversource Energy ("Eversource"), Fitchburg Gas & Electric Light Company d/b/a Unitil ("Unitil"), Liberty Utilities (New England Natural Gas

¹ Investigation by the Department of Public Utilities on its own Motion into Updating its Energy Efficiency Guidelines, D.P.U. 20-150-A, at 2, n. 4.

DRAFT 5.25.21

Company) Corp. d/b/a Liberty (“Liberty”), and The Berkshire Gas Company (“Berkshire”) (together, the “Modifying PAs”) are each currently seeking support of the EEAC to implement modifications to their energy efficiency programs. Specific details describing the requested modifications and related information are set forth in Attachment A (National Grid), Attachment B (Eversource), Attachment C (Unitil), Attachment D (Liberty), and Attachment E (Berkshire).

Except as otherwise noted for Berkshire, all mid-term modifications described herein are Category One MTMs.

Requests to Modify Program Budgets

As presented in the Modifying PAs’ proposals within the above-noted attachments, the MTM requests are based on the need to increase one or more program budgets in order to meet customer demand for the Modifying PA’s products and/or services – specifically, customer demand for energy efficiency programs that is significantly higher than what was planned.

The EEAC and its consultants have examined the data and information presented by the Modifying PAs in support of these MTM proposals. The EEAC finds that the modifications to these programs to increase budgets will provide the Modifying PAs the opportunity to meet the higher customer demand and achieve the associated energy savings. The modifications to the programs to decrease budget are also being supported given the timing of submissions and amount of implementation time left between now and the end of this three year plan. However, the EEAC notes disappointment of reducing budgets and savings for cost-effective programs and encourages the PAs to continue to find ways to expand these programs to deliver benefits to customers.

The EEAC is committed to achieving the savings and benefits of the Three-Year Plans.

Having reviewed the proposed Mid-Term Modifications set forth in Attachments A through E and summarized below, the EEAC resolves the following.

A. National Grid

After review and consideration of National Grid’s proposed MTMs, as described in Attachment A, the EEAC supports the Mid-Term Modifications to the three-year program budgets as follows:

National Grid Electric

Program	Budget Modification
C&I New Buildings	+38%

National Grid Gas

Program	Budget Modification
Residential Existing Buildings	+20%

B. Eversource

DRAFT 5.25.21

After review and consideration of Eversource's proposed MTMs, as described in Attachment B, the EEAC supports the Mid-Term Modifications to the three-year program budgets as follows:

NSTAR Electric

Program	Budget Modification
Residential Existing Buildings	+24%
Residential New Buildings	-32%

NSTAR Gas

Program	Budget Modification
Income Eligible Hard-to-Measure	-32%

Eversource Gas of Massachusetts

Program	Budget Modification
Residential Existing Buildings	+40%

C. Unitil

After review and consideration of Unitil's proposed MTMs, as described in Attachment C, the EEAC supports the Mid-Term Modifications to the three-year plan program budgets as follows::

Unitil Electric

Program	Budget Modification
Residential New Buildings	+41%

Unitil Gas

Program	Budget Modification
C&I Existing Buildings	+30%

D. Liberty

After review and consideration of Liberty's MTMs, as described in Attachment D, the EEAC supports the Mid-Term Modifications to the three-year program budgets as follows:

Program	Budget Modification
Residential Existing Buildings	+34%
Residential New Buildings	+29%
C&I New Buildings	+270%

E. Berkshire

After review and consideration of Berkshire's proposed MTMs, as described in Attachment E, the

DRAFT 5.25.21

EEAC supports the Mid-Term Modifications to the three-year program budgets as follows::

Program	Budget Modification
Residential Existing Buildings ²	+171%
C&I Hard-to-Measure	+231.8%
Residential New Buildings	-52%

The Council supports Berkshire’s request for a budget increase for the Residential Existing Buildings program. The extra budget serves greater than anticipated demand for the Residential Coordinated Delivery Initiative, in large part due to the limited time 100% insulation incentive, and for HVAC measures within the Residential Retail Initiative and will yield higher savings and benefits. Please note that this MTM will also need to be filed with DPU, as it triggers the 2% bill impact

Effect of Mid-Term Modifications on Regulatory Reporting and the Department-Approved Three-Year Plans for 2019-2021

For future regulatory reporting during the Three-Year Plan period, including the Plan-Year Reports and Term Report, the EEAC understands that each of the Modifying PAs will not be revising their approved Three-Year Plan goals to reflect these Mid-Term Modifications. All future reporting on the Three-Year Plan will report and compare actual results to the Department-approved budgets and goals. This resolution will be submitted to the Department to support any variance explanations related to the Mid-Term Modifications supported here. The performance incentive model approved in D.P.U. 18-110, D.P.U. 18-111, D.P.U. 18-112, D.P.U. 18-113, D.P.U. 18-114, D.P.U. 18-115, D.P.U. 18-117, D.P.U. 18-118, and D.P.U. 18-119 remains unchanged. There is no increase or decrease to the performance incentive pool or any change to the payout rates derived in the performance incentive model as the result of these modifications.

² The Berkshire Residential Existing Buildings Mid-Term Modification is a Category Two MTM, and therefore must be submitted to the Department for review and approval.